

PERMANENT UNIVERSITY FUND—INVESTMENT IN SECURITIES

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H. J. R. No. 37

Proposing an Amendment to Article VII of the Constitution of the State of Texas by adding a new section after Section 11 thereof to be designated as Section 11a, providing for the investment of the Permanent University Fund in additional securities to those now enumerated in Section 11 of Article VII of the Constitution of the State of Texas; providing for the necessary proclamation and publication, and calling of an election therefor.

*Be it resolved by the Legislature of the State of Texas:*

Section 1. That Article VII of the Constitution of the State of Texas shall be amended by adding after Section 11 thereof a new section to be designated Section 11a, which shall read as follows:

"Section 11a. In addition to the bonds now enumerated in Section 11 of Article VII of the Constitution of the State of Texas, the Permanent University Fund may be invested in such other securities, including bonds, preferred stocks and common stocks, as the Board of Regents of the University of Texas may deem to be proper investment for said fund; provided, however, that not more than fifty per cent (50%) of the said fund shall be invested at any given time in stocks, nor shall more than one per cent (1%) of the said fund be invested in securities issued by any one (1) corporation, nor shall more than five per cent (5%) of the voting stock of any one (1) corporation be owned; and provided further that stocks eligible for purchase shall be restricted to stocks of companies incorporated within the United States which have paid dividends for ten (10) consecutive years or longer immediately prior to the date of purchase and which, except for bank stocks and insurance stocks, are listed upon an exchange registered with the Securities and Exchange Commission or its successors. This amendment shall be self-enacting."

Sec. 2. The foregoing Constitutional Amendment shall be submitted to a vote of the qualified electors of this State at an election to be held throughout the State on the second Tuesday in November, 1951, at which election all ballots shall have printed thereon:

"FOR the Constitutional Amendment providing for the investment of the Permanent University Fund in additional securities to those now enumerated in Section 11 of Article VII of the Constitution"; and

"AGAINST the Constitutional Amendment providing for the investment of the Permanent University Fund in additional securities to those now enumerated in Section 11 of Article VII of the Constitution."

Sec. 3. The Governor shall issue the necessary proclamation for said election and have the same published as required by the Constitution and laws of this State. The expense of publication and election for such Amendment shall be paid out of the proper appropriation made by law.

Adopted by the House, April 25, 1951: Yeas 129, Nays 0; passed by the Senate, May 11, 1951: Yeas 27, Nays 0.

Approved June 2, 1951.